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What variety of employment service quasi-market? Ireland's Job Path as a private power market

Dr Jay Wiggan

Introduction

Since the late 1990s, social protection and labour market policies among Organisation for Economic Co-operation and Development (OECD) member states have been recalibrated so as to make the promotion of entry to the labour market for working-age individuals the priority of state intervention. Traditional concerns with income replacement in times of unemployment or income assistance to help meet the costs of life contingencies (disability, parenting) continue, but the emphasis has shifted to enacting reforms that 'activate' people into paid work (Bonoli, 2013). Accompanying changes to benefit eligibility, value and conditionality, and job placement and assistance schemes have been changes to the institutional arrangements for the delivery of benefit administration and public employment services. One of the most striking reforms has been the introduction of quasi-markets, through which various functions, previously performed by the public employment service or designated social partners, have been contracted out to for-profit and not-for-profit organisations through competitive tendering. Employment service marketisation has become commonplace across OECD states, but there is considerable diversity in how states configure market regulation, choice and competition, which effects how service users, service providers and the state act within the market, and their capacity to influence its evolution (van Berkel et al, 2012; Struyven, 2014; Zimmerman et al, 2014; Wiggan, 2015).

This chapter provides a case study of a new employment service quasi-market introduced in 2015 by the Irish government. Ireland is an interesting case as, while it may seem an ostensibly liberal welfare regime, its levels of expenditure on labour market programmes have been somewhat higher than other Anglo-Liberal welfare states such as the UK (Immervoll and Scarpetta, 2012, p 12). Until recently it was also a laggard in its embrace of the types of activation recalibration and employment service marketisation reforms embraced elsewhere (Murphy, 2012). In the aftermath of the financial crisis of 2008-09 and the Irish bank bailout of 2010 (see below), this has changed, and a programme of rapid 'modernisation' has taken place. Reforms to social security benefits have strengthened work-related conditionality, a new 'one-stop shop' integrating benefits and employment service support has been introduced and, from 2015, employment services for the long-term unemployed have been outsourced under the new JobPath programme. The focus here is an examination of JobPath to identify what kind of quasi-market it is, and what this implies for the role and influence of service users, the state or service providers. To facilitate this I draw on the typology of quasi-markets developed by Gingrich (2011). Based on analysis of institutional arrangements, socioeconomic context and partisan political preferences, this is a sophisticated conceptual tool for categorising quasi-markets and identifying which market interests (service users, providers and the state) and political party preferences are privileged by different market arrangements.

The chapter proceeds as follows. The first section is an account of the political-economic context in Ireland within which JobPath has developed. The second provides an elaboration of Gingrich's (2011) typology of quasi-markets. The third section applies this analytical approach to unpack Ireland's JobPath. The investigation indicates the new employment service quasi-market has few instruments available to empower service users, and instead privileges new service provider interests, while retaining a role for the state in shaping service standards. The fourth section discusses the potential partisan political logic underpinning both the embrace of provider interests and retention of a role

for the state. What is particularly interesting about the configuration of the JobPath market is that it is similar in policy direction and content to the provider-directed market in employment services that Wiggan (2015) argues has developed in Britain under the Conservative-Liberal coalition government. A full comparison of the systems in Ireland and Britain would make a useful contribution to the literature on diversity in activation markets (van Berkel et al, 2012; Struyven, 2014; Wiggan, 2015), but is beyond the scope of this chapter. However, as an initial, if limited, contribution to sketching out the diversity in activation markets, the fourth section also provides a brief comparison of outcome-based funding, provider competition and service quality regulation in Ireland's JobPath and Britain's Work Programme. The fifth section concludes.

Context: developing activation, service integration and marketisation in Ireland

The global financial crisis that erupted in 2008 left Irish banks particularly at risk of collapse given their lending practices during the boom. The decision of the Irish state to guarantee the liabilities of all its banks initially stabilised the situation, but by 2010, the unprecedented scale of the losses facing the banks led Ireland to seek financial support from the International Monetary Fund (IMF) and European Union (EU) (Dukelow, 2011, p 408). In exchange for a package of loans, the Irish government agreed to a programme of welfare state reforms and public expenditure cuts, outlined in a 'Memorandum of Understanding' with the IMF, the European Central Bank and European Commission (hereafter the 'Troika') (European Commission, 2011, p 42; Hick, 2014, p 398).

Prior to the economic crisis, propitious economic growth meant successive centrist Fianna Fáil-led governments had been able to deliver notable improvements to existing social security benefits, and had shown little interest in the development of a comprehensive active labour market strategy. Since 2008, however, the value of key working-age benefits has been cut, and/or changes to eligibility and work-related conditions have been introduced. While this began with the Fianna Fáil-Green Party coalition government, it has continued under the Fine Gael-Labour Party coalition government of the centre right and Social Democratic left that took office following the February 2011 General Election (Little, 2011, p 1309; Dukelow, 2015; Murphy, 2014, p 138). Responsibility for delivering social security and employment and training services, meanwhile, had long been fragmented between multiple government departments and agencies.¹ The resulting divergent institutional interests made gaining a consensus on activation reforms difficult, and this contributed to the slow and limited adoption of active labour market policies (Murphy, 2012, p 36). The agreement with the Troika gave impetus to domestic policy-makers to 'modernise' social protection and labour market policy and governance to seek a seemingly more cost-effective and 'work first' orientated active labour market regime (Murphy, 2012, 2014; Dukelow, 2015). Reviews by the OECD and the Irish government of Ireland's activation regime portrayed it as comparably high cost, poorly targeted and ineffective (DPER, 2011: 12-14; Grubb et al 2009, pp 128-38; DSP, 2012b; see also McGuinness et al, 2011). The dominant unemployment policies were public sector job creation schemes and vocational training, criticised by the OECD as among the least effective tools for securing rapid labour market reintegration (OECD, 2000, p 98; DSP, 2012b). In 2011, for example, €348 million of the €770 million that Ireland's Department of Social Protection (DSP) spent on working-age employment schemes was spent on a single job subsidy scheme – the Community Employment Programme (CEP) (DSP, 2012b, p 11). The Fine Gael-Labour coalition government has not discontinued CEP, and has, in fact, introduced additional job creation and wage subsidy schemes (DSP, 2012a, p 13), but it has also embarked on a programme of rapid organisational restructuring. As a result, Ireland has belatedly adopted the types of service integration and marketisation that has

become commonplace among the social security administration and employment service delivery of other OECD states (Askim et al, 2011; van Berkel et al, 2012; Minas, 2014; Struyven, 2014). In line with the Fine Gael-Labour coalition's Programme for government (Department of the Taoiseach, no date, p 8), various social protection and public employment service organisations have been merged into a single government department – the Department of Social Protection (DSP) – and delivery rationalised. For example job assistance, placement and benefit administration for short-term unemployed claimants have been integrated, creating a new 'one stop shop', known as 'Intreo' (Martin, 2014, p 15). Employment support for the long-term unemployed provided under the Fine Gael-Labour coalition government's new JobPath programme (see below) has, however, been contracted out to private and third sector providers. Policy-makers have suggested this is a practical means to secure additional staffing capacity and to gain access to previously untapped private and third sector 'expertise' in client advice, job placement and employer engagement activity (DSP, 2011, p 36; DSP, 2012c, p 20, 2013a, p 35, 2014a, 2014b, pp 20-1). Whether or not this was necessary or will provide the access to expertise that results in higher job entry and sustainability is beyond the focus of this particular chapter. Our interest here is in understanding the type of quasi-market emerging, and what this implies in terms of whose preferences and interests are being prioritised/marginalised. The following section sets out the theoretical and analytical framework used to facilitate this.

Unpacking and explaining variation in public service quasi- markets

The marketisation of public employment services has typically retained some role for the state as purchaser and/or regulator of service provision, while introducing instruments to foster competition and/or choice into the organisation of a public service on the grounds that market rationality induces improvements in efficiency, economy, innovation, responsiveness and effectiveness (Wiggan, 2015). The marketisation of public employment services is, therefore, a form of quasi-market, but this on its own tells us little about how the market shapes and is shaped by those involved in the market – the state, service providers and service users. We know, for example, that quasi-market arrangements vary substantially, both within and between policy sectors and countries, and over time. Scholars have unpacked the instruments used in such markets as a means to identify and classify markets, often according to some notion of more or less competition/consumer choice (Anttonen and Meagher, 2013, p 16; Powell, 2015, p 114). The approach developed by Gingrich (2011, p 212) encompasses choice and competition, but also includes the financing and regulation of markets by the state.

The former relates to how public services are produced in the market, while the latter relates to how access to services is allocated in the market (Wiggan, 2015, p 4). Different combinations of competition/choice indicate how the production of services within the market is configured around the needs and (dis)empowerment of either the state, service users or providers. Examination of allocation mechanisms in turn gives some indication of whether equity among service users and broader implications for social solidarity is prioritised or not. For example, services may be free at the point of use because they are financed by the state, or access may depend on payment by the individual user, potentially curbing use of services by those on low incomes. Extensive regulation of provider activity by the state ostensibly promotes equitable access to services and underpins quality, whereas weak regulation empowers providers, giving them greater freedom to vary service access and/or quality offered to different users (Gingrich, 2011, p 12; Wiggan, 2015, p 4). How markets are configured affects how services are managed, regulated and accessed, and consequently, different

markets are more or less orientated to the state, service user or service provider. This, in turn, works to construct, support or undermine particular class coalitions and socioeconomic and political objectives. Establishing what types of market exist and what political actors and preferences they may support is, therefore, central to understanding variation in public service markets (Gingrich, 2011, p 217). Based on assessment of production/allocation instruments, Gingrich identifies three broad categories of state, user or provider-driven markets that disaggregate into six quasi-market ideal types (Gingrich, 2011, p 12; see also Powell, 2015, p 111):

- consumer-controlled market (CCM) or two-tiered market (TTM) (service user-driven)
- state-managed market (SSM) or austerity market (AM) (state- driven)
- pork barrel market (PBM) or private power market (PPM) (provider-driven).

The two service user-driven ideal types are based on strong regulation of service user rights to choose between providers, and are either financed collectively (CCM) or individually (TTM). In CCM the perception is that introduction of user choice and funding attached to the user creates an incentive for providers to drive up service quality and to respond to the expressed preferences of users. The potential trade-off is that this may imply lower profits (provider) or higher public spending (state). In contrast, TTM is premised on the individualisation of service provision cost, either through direct charging or giving providers scope to offer differential quality provision. Those with the most resources and the fewest needs gain, but conversely, those with the greatest need and limited incomes lose (Gingrich, 2011, p 16).

Achieving service efficiency and economy through the retention of state capacity to direct public service markets is the hallmark of SMM and AM. SMM relies on regulation, monitoring of state-specified performance as a means to free providers to pursue cost-containment goals as they see fit, while the state retains arm's-length oversight and control to promote service quality and equity. Collective financing of provision is retained to prevent the direct costs of accessing services falling on the individual. AM involves the state setting standards, but pursues efficiency and cost control through (partially) reallocating the cost of provision to reduce demand and encourage individual users to ration their use of provision (Gingrich, 2011, p 14).

Where the state has withdrawn from extensive regulation or indicated its intention to exercise limited oversight, and users have few opportunities to exercise market choice or exit, then provider influence increases. According to Gingrich, this manifests in either PBM or PPM. PBM is a state-financed market with services purchased via limited market competition, resembling a private oligopoly able to use its strong negotiating position and influence to gain greater access to public resources in a relatively benign public spending climate. PPM is similarly dominated by providers, but emerges in the context of public expenditure constraint with providers given freedom to bear down on service costs, either through user charges or market structures that permit selective provision/under-provision which transfers the burden of adjustment under austerity to individual users (Gingrich, 2011, p 17). Actual public service markets may, of course, differ in how close they adhere to these ideal types, but they provide a means for understanding how particular combinations of production and allocation favour different market interests and partisan preferences, and why such combinations merge in particular contexts (Gingrich, 2011, p 34). For Gingrich (2011, p 5), political parties of the left and right systematically favour different market types and seek reforms that best accord with their long-term ideological preferences and electoral calculations. In short, parties and governments of the right favour markets that constrain public spending and state provision, fragment social solidarity and make more comprehensive welfare

retrenchment and privatisation more feasible in the long run. Conversely, the left seek to use markets that retain state involvement in financing and/or oversight of welfare provision, while protecting social solidarity and helping construct/secure a less hostile environment for future state welfare expansion (Gingrich, 2011, p 38). The broader financial context, and whether the existing service and supporting welfare institutions (for example, social security, training policy) are uniform/fragmented and/or provided on a universal/residual basis (Gingrich, 2011, p 33), in turn mediates whether the environment is more or less hostile to reforms preferred by left or right political parties. The left might favour market structures that empower service users (CCM ideal type), but is unlikely to champion such reforms when services are residual and public support for greater spending is weak, as this risks exacerbating existing socioeconomic inequalities (Gingrich, 2011, p 5). In such contexts, SMM may be the preferred compromise as it avoids empowerment of service providers that could further undermine the role of the state, and enables the left through the state to mitigate the potential for public service markets to lead to inequity in service access/quality. The right, in contrast, will enact provider- driven market reforms where possible, most likely in services that have limited public support, as the political and electoral opposition is weaker, enabling the right to advance market structures that both reduce existing state activity and create new constituencies for additional market reform. In the 'Discussion' section later we return to this issue and offer some tentative reflections on the potential connection between the JobPath quasi-market type and the partisan politics of market reform in Ireland. First, however, our attention turns to the JobPath market structure itself.

JobPath: a private power quasi-market?

Production

In 2013, the procurement of JobPath commenced, with organisations invited to submit bids to manage service delivery as a single prime provider in one of four geographic contract area 'lots' (1-4). The DSP also offered potential providers the opportunity to bid for a combined 'lot' (5 and 6), with each bundling together two separate contract areas (DSP, 2013a; INOU, 2014). Contracts are awarded for four years in the first instance, with the possibility of two one-year extensions. To bid for a contract each organisation (or partnership/consortia) was required to have an annual turnover of €20 million for each of the previous three years. Ostensibly this is to ensure that only organisations with a healthy financial track record could secure a contract, mitigating the risk inherent to a 'payment by results' system that an organisation is unable to manage the demands of resourcing investment in service provision upfront, and prior to receipt of outcome payments (DSP, 2013a, p 17). In October 2014 the winning bids were announced as two combined 'lots', meaning that two prime providers were contracted to manage four contract areas, with each provider responsible for service provision solely in their own two contract areas. The combined 'lot' for provision in the north of the country was awarded to the private for-profit organisation Seetec (a prime contractor in the British Work Programme), and the second combined 'lot' for provision in the south went to a new third sector organisation, Turas Nua Ltd (DSP, 2014a) a partnership between (another Work Programme prime contractor) Working Links (Working Links, 2014) and FRS Recruitment (part of an Irish cooperative network).

The decision to specify a high and consistent level of turnover as a requirement means the structuring of procurement curtails the number and type of organisations that are well placed to tender for JobPath. Larger organisations or consortia capable of satisfying the €20 million requirement and willing to take on (and perhaps have experience of) the degree of risk inherent to

an outcome-based system are privileged by this market structure. The losers are smaller, more specialist and/or local organisations less able and/or willing to compete on these terms, whose options are now to participate as sub-contractors within the supply chain of one of the two prime contractors. The decision to have each contract area managed by a single prime means there is no scope for post-procurement competition. There can be no intra-contract area peer pressure between competing providers, and the Department for Social Protection has no mechanism for reallocation of a portion of client caseload from poor to better performing providers. Consequently there is no scope for service users to directly exercise any choice of provider in the JobPath quasi-market. The direction of the market is very much about the relationship between the state and the contracted provider(s), with service users at best enjoying a mediated influence on service provision. With no post-procurement competition or prescription of service content beyond the stipulation of a common service guarantee detailed below, the JobPath primes are relatively free to innovate in service provision. The state seeks to direct providers towards its policy objectives primarily via the financial incentives built into JobPath by a 'payment by results' system.

The payment model is divided between a registration fee and a job sustainment fee, which, depending on job sustainment performance, means up to five payments to providers during a participant's return to work journey. The registration fee is paid once a participant has completed a personal progression plan with the provider, with sustainment payments commencing for sustained employment at 13 weeks, 26 weeks, 39 weeks and 52 weeks (DSP, 2013a, p 133). At the time of writing the JobPath market is limited to the long-term unemployed and those at risk of long-term unemployment, but DSP has left open the possibility of expanding coverage to claimants of benefits paid on grounds of lone parenthood or sickness or disability (DSP, 2013a, p 39). The ratio of process fees to outcome fees in the JobPath quasi-market is 35:65 (DSP, 2013a). The retention of a substantial registration fee implies concern that relying solely on outcome payments could undermine the financial stability of providers and increase the incentives to 'game' the payment by results system. The caseload of programme participants is divided into six referral groups (RG 1-6), with four groups relating to the duration of a client's receipt of a jobseeking benefit or assessment as having characteristics that place them at high risk of progressing into long-term unemployment (see Table 1). The income a provider receives for registration and job sustainment for each referral group has not been disclosed. DSP did indicate during procurement that fees should vary according to distance from the labour market (DSP, 2013b) as a means to encourage providers to serve both the job-ready and harder-to-place service users.

The instruments of market production in JobPath show an interesting tension between DSP seeking to use contracted providers to create freedom to innovate, and the fear that this will undermine service quality. Rather than build a market where the service user is empowered to choose between different providers or is able to exit the market completely without financial penalty in the form of loss of benefits, the state has instead constructed a market where it acts as both the purchaser and the collective proxy customer. The private power market emerging in Ireland is then notable for the state's attempt to retain some collective influence over how services are allocated through a measure of public regulation and monitoring.

Table 1 High level overview of key features of the JobPath quasi market

Contract Areas	<p>Four contract areas (six 'Lots' invited for tender as DSP allowed bidding on bundled 'Lots').</p> <p>Lot 1 (West, Midlands North, North East, North West)</p> <p>Lot 2 (Cork Central, South East; Mid-Leinster)</p> <p>Lot 3 (Mid West, South West, Midlands South)</p> <p>Lot 4 (Dublin Central; Dublin north, Dublin South)</p> <p>Lot 5 (Lots 1 and 4 together)</p> <p>Lot 6 (Lots 2 and 3 together)</p>
Providers	<p>Seetec</p> <p>Turas Nua Ltd</p>
Contract Duration	<p>Phase one: four years</p> <p>Phase two: one year extensions for maximum of two years</p>
Service quality	<p>Grey Box approach. Common set of minimum service requirements apply to each provider</p> <p>Annual service user satisfaction survey which can influence DSP to withhold a portion of provider fees</p>
Client referral groups	<p>RG 1: Unemployed receiving jobseeker benefit passing 12 months</p> <p>RG 2: Unemployed receiving jobseeker benefit 12-24 months</p> <p>RG 3: Unemployed receiving jobseeker benefit 24-36 months</p> <p>RG 4: Unemployed receiving jobseeker benefit 36 months +</p> <p>RG 5: Unemployed jobseeker benefit less than 12 months but high risk of long term unemployment</p> <p>RG 6: part time and in receiving jobseeker benefit, looking for full time paid work</p> <ul style="list-style-type: none"> • Future referrals may expand to other groups e.g. recipients of one parent family benefit and sickness/ disability payments
Differential pricing	Yes
Payment model	<p>Registration fee paid upon completion of Personal Progression Plan</p> <p>Job sustainment fee paid at 13weeks; 26 weeks; 39 weeks; 52 weeks</p>
Service user choice	No

Source: DSP (2013); (DSP, 2013a: 57; INOU, 2014)

Allocation

Long-term unemployed clients are not required to purchase employment services in a private market or to make a co-payment in order to access public provision. This is not surprising as there are good social and economic reasons why employment services are collectively financed. Given the concentration of unemployment among low-skilled, low-income individuals, it would be difficult to insure against this life risk and/or bear the cost of paying to access services. The collective financing of employment services ensures access is relatively equitable, and this improves the state's capacity to 'activate' and match jobseekers to labour market vacancies. This does not, of course, eliminate the risk that allocation of services will be affected by the judgement providers make about the relative costs/benefits associated with moving clients with multiple or seemingly intractable constraints on employment into the labour market. JobPath attempts to mitigate this risk through its 'payment by results' contracting model. Research into 'payment by results' systems in employment service quasi-markets, however, shows that providers always seek to maximise their income from job-ready clients and minimise their expenditure on the less job-ready (Bredgaard and Larsen, 2008; Finn, 2010). Policy-makers in Ireland are aware that market reforms that enhance provider freedom can also negatively affect service equity (DSP, 2013b, p 16), and the DSP has settled on a combination of state-mediated user 'voice' and state-mandated minimum service standards to promote equitable allocation of services.

User voice is exercised 'by proxy', with the DSP collating service user views through surveys of participant satisfaction with service quality. Should a prime provider fail to achieve satisfactory ratings in the annual survey, the DSP may withhold up to 15 per cent of fees payable (DSP, 2014b, p 1). The prescription of common minimum service provision is set out in the JobPath Service Guarantee (SG). This stipulates that providers must hold one-to-one meetings within 20 days of referral, and agree a personal progression plan with all clients. The plan must contain basic contact information and a detailed record of the client's employment experience, skills and barriers to employment, and a plan setting out the return to work trajectory. The provider must hold a further one-to-one meeting with the client every 20 working days until they gain employment, and a full review of the plan must take place periodically (at 13 weeks, 26 weeks, 39 weeks) if the client remains unemployed. Where a programme participant has entered employment, the provider is responsible for delivering 'in-work' assistance during the first 13 weeks, which includes contact with a personal adviser within five days, and contact every subsequent 20 working days. A programme exit interview must also be held when a client reaches the end of their period of programme participation (12 months) (DSP, 2013a, pp 32-4). How effective the SG proves to be in promoting equity is necessarily an empirical question that must wait for programme evaluations.

Discussion

The contemporary political, economic and institutional arrangements in Ireland appear to favour the emergence of a provider-directed employment service market that seeks to expand private sector involvement in delivery, but also attempt to moderate the scope for providers to redirect the costs of serving all clients to the state or service users. Politically the coalition government in Ireland, for example, is dominated by the centre right Fine Gael Party, whose 2011 election manifesto indicated support for introducing some form of voucher system into employment service provision, while Labour made no mention of employment service marketisation at all (Fine Gael, 2011; Labour, 2011). The Troika's monitoring and reporting on the progress of the public service reforms and its encouragement of orthodox economic policy which has been embraced by the government (Dukelow, 2015) has meanwhile diminished the scope for state provision to be expanded to deliver

an intensify activation service for the long-term unemployed. Moreover, as a service concentrated on a small and stigmatised portion of the working-age population (the long-term unemployed), the ability of service users or left political actors to draw on wider public solidarity to promote either a state monopoly or development of a client-centric market is likely limited. Working within these policy and political parameters it is plausible that PPM would emerge, albeit a variant that offered some compromise to the Labour Party's (they hold the social protection portfolio) core preference for protecting equity and retaining state involvement in welfare provision.

A brief comparison of key market instruments (outcome-based funding and service quality regulation) in Ireland's JobPath with those found in Britain's similar activation scheme – the Work Programme – draws out the degree to which Ireland has embraced a PPM variant that places slightly less emphasis on provider empowerment and the primacy of market rationality. The Work Programme was introduced in Britain in 2011 under the centre right-dominated Conservative-Liberal coalition government that was committed to reducing state delivery of public services through market expansion (HM Government, 2011), and built on an established pattern of contracting out employment services (Gash et al, 2013).

The commitment to market rationality and provider direction is built into the structure of the outcome-based funding system and model of service delivery. The British Work Programme's payment by results system, for example, makes a higher proportion of provider funding dependent on them securing job outcomes than in Ireland's JobPath. In the Work Programme, total funding available to providers over the course of the contract is intended to split 20:80, meaning that four-fifths of total payments to providers should be paid on the basis of job outcomes secured. Conversely, providers in Britain have been given greater freedom over service content through what is termed a 'black box' model of delivery. The British state has withdrawn from prescribing content in order to maximise provider freedom to innovate and shape the market. Instead, Work Programme prime providers each propose their own minimum set of services that are then agreed individually with British policy-makers (Wiggan, 2015). In contrast, Ireland's JobPath suggests a more cautious embrace of market rationality and the empowerment of providers, and a greater role for state regulation and state-mediated user influence. The service to outcome fee payment ratio is lower, at 35:65, and rather than a 'black box', a 'grey box' approach to service delivery is taken through state stipulation of common minimum provision through the JobPath SG. The service user survey also gives the state some means to 'check' the experience of users themselves, which, given the lack of post-contract award market competition, is a useful tool for policy-makers seeking to shape provider behaviour. In Britain there is no scope for the collective expression of services users to direct provider behaviour. Instead, policy-makers rely more on financial incentives and state-mediated competition between providers that is possible due to the two to three providers operating in each contract area (Wiggan, 2015). The earlier unpacking of JobPath indicates it is a form of PPM, and comparison within another PPM (the British Work Programme) suggests that policy-makers in Ireland sought to create a PPM that reduces the scope and incentives for providers to game the system by retaining a comparably greater level of state intervention in the market. Further empirical investigation would be necessary, however, to establish whether, and how, this was influenced by organisations such as the Troika and/or the Centre for Economic and Social Inclusion² and the specific preferences of Labour and Fine Gael.

Conclusion

The economic crisis and ensuing implementation of austerity in Ireland has enabled successive Irish governments to reframe the social contract to emphasise responsibilities rather than entitlements, and to radically overhaul the organisation of social security and labour market policy to promote labour activation and the commodification of public employment services, through marketisation of provision for the long-term unemployed (Dukelow, 2014; Murphy, 2014). The investigation and unpacking of the new JobPath employment programme shows that the market reforms enacted have introduced a form of PPM in employment service provision for the long-term unemployed. The state has relinquished direct control of service provision, but has chosen not to introduce service user-centric market reforms that empower programme participants through offering a choice of provider. Nor has the state directed public resources to existing local providers of employment services in Ireland, which would indicate market reforms more akin to those of a PBM (Gingrich, 2011). Instead, through setting a €20 million threshold for market entry, policy-makers in Ireland have deliberately constructed a market to appeal to new market entrants with the size and capability to advance and embed new provider-orientated market reforms. Yet policy-makers have also sought to protect equity in access to services through prescription and oversight of a common set of standards for all clients that each prime provider must adhere to. Policy-makers have seemingly determined that if service quality and reductions in benefit expenditure through job entry is to be maximised, retention of some state regulation is necessary to mitigate the tendency for providers to selectively invest resources in some (more job-ready) clients and not others (Shutes and Taylor, 2014, p 213). The JobPath market in this sense differs from the similar provider-directed employment service quasi-market introduced in 2010 in Britain, where policy-makers sought to maximise provider freedom and to minimise the direct influence of the state (and service users) (see Wiggan, 2015).

Notes

1 Prior to the reorganisation, FAS (under the Department of Enterprise, Trade and Employment) was the training and employment agency. An additional Local Employment Service (LES) provided job search assistance in a number of locations. Together FAS/LES formed Ireland's Public Employment Service (Grubb et al, 2009, p 30). Mainstream social security was administered by the then Department for Social and Family Affairs with the Community Welfare Service (CWS) of the Health Services Executive administering Supplementary Welfare Allowance. From 2010 the employment and social security functions of FAS/CWS were moved to the new Department for Social Protection and work began on creating a new customer facing one-stop shop (Intreo). Intreo and LES now deliver social security and short-term employment support while from 2015, activation of the long-term unemployed is with contracted JobPath providers.

2 The Centre for Economic and Social Inclusion is a British research and policy organisation brought in by the DSP to advise on employment service marketisation.

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